



To: The Honorable Ernest Martin, Chair, Committee on Budget Honolulu City

From: Amy Blagriff, Executive Vice President, AIA Honolulu on behalf of

The American Institute of Architects, Honolulu Chapter

Hearing: Tuesday, April 12, 9 am; Special Meeting

Subject: Support for Bill 3 (2011) Relating to Property Tax Exemption for Residential Real

Property

On behalf of the more than 700 local architects and allied design professionals of The American Institute of Architects (AIA), Honolulu Chapter, I am writing in **support of Bill 3** (2011) to amend the requirements of the real property tax exemption for historic residential real property dedicated for preservation. This important bill would serve to strengthen and improve the vital exemption that offers homeowners of registered historic residences some relief and protection from harmful clauses in current City laws—which actually encourage the demolition of older buildings by taxing them at their "highest and best use."

The American Institute of Architects believes that historic preservation tax incentives in the form of exemptions and/or tax credits provide a powerful economic incentive to preserve and redevelop the inventory of historic architecture. We believe it is indeed incumbent on you, our elected officials, to preserve the architectural history which makes our state great.

Historic preservation tax credits, as well as clearly defined exemptions, are a long-term investment in Honolulu and our great State of Hawaii. These incentives are a win-win proposition because they introduce market-based mechanisms for redevelopment, while at the same time preserving historic treasures. Hawaii's rich cultural past is represented by the structures constructed by and for our people over the course of the island's habitation. These physical remains of the past act as landmarks in our history and anchors for our future. Many of these anchors have been lost in the course of Hawaii's rapid changes over the past three decades, and we need to insure that strong, active measures remain in place to preserve our cultural heritage.

If there are problems with certain homeowners in this worthwhile program, then we hope the Real Property Division will work directly with those homeowners on better compliance and enforcement. Thank you for allowing AIA the opportunity to submit testify on behalf of the protection of historic properties and the perpetuation of our island sense of identity and place through a connection with the rich diversity of our cultural, historic, and archaeological resources.

Respectfully,

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Honorary AIA Honolulu, Executive Vice President

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